

DATE ISSUED: November 3, 2010

ATTENTION: Honorable Chair and Members of the Audit Committee
Docket of November 8, 2010

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Follow-up on Performance Audit Recommendations for the
Centre City Development Corporation

COUNCIL DISTRICTS: District 2 and District 8

STAFF CONTACT: Andrew Phillips, Assistant Vice President/Controller, 619-533-7127

REQUESTED ACTION: That the Audit Committee (“Committee”) receives an update regarding the Performance Audit recommendations for the Centre City Development Corporation (“Corporation”).

STAFF RECOMMENDATION: That the Committee receives an update regarding the Performance Audit recommendations for the Corporation.

SUMMARY: The Performance Audit of the Corporation was completed in July 2009 and included 24 recommendations. Of the 24 recommendations, 18 have been reported as implemented to the City. The Corporation has reported to the City on March 23, 2010 and September 2, 2010 on the status of the recommendations.

FISCAL CONSIDERATION: None.

CENTRE CITY DEVELOPMENT CORPORATION: On October 27, 2010, the Audit Committee of the Corporation heard this item as information.

BACKGROUND: The Performance Audit of the Corporation was completed in July 2009. It contained 24 recommendations for the Corporation. Over the past year and a half, staff has been implementing and reporting to the City on the various recommendations from the Performance Audit. To date, 18 of the 24 recommendations have been completed with six still in progress.

On October 11, 2010, the City's Audit Committee met and the Corporation's Performance Audit was discussed. At that meeting, it was reported by the City Auditor that the Corporation had not responded to any of the audit recommendations. Unfortunately, staff was not at that meeting and was unaware that the item was to be discussed at the meeting. Staff has responded to the City's request as to the status of the Performance Audit recommendations on two separate occasions. Staff first responded to the City Comptroller's Office on March 23, 2010, at which time, it was reported that 16 recommendations had been implemented, four were in progress and four not yet started. Staff then responded to a request from the City Auditor's office regarding the status of the Performance Audit recommendations on September 2, 2010. At that time, it was reported that 18 of the recommendations were implemented and that the remaining six were in progress.


DISCUSSION: Over the past year, staff has been implementing and reporting to the City on various recommendations and continues to work to implement the recommendations. The following table outlines the status of each recommendation.

Audit Recommendation	Reported as Implemented	Reported As In Progress	Date Reported as Implemented
1.1	X		September 2, 2010
1.2	X		March 23, 2010
1.3		X	
1.4		X	
2.1		X	
2.2		X	
2.3	X		March 23, 2010
2.4	X		March 23, 2010
2.5	X		March 23, 2010
2.6	X		March 23, 2010
2.7	X		March 23, 2010
2.8		X	
2.9		X	
2.10	X		March 23, 2010
2.11	X		March 23, 2010
2.12	X		March 23, 2010
2.13	X		March 23, 2010
2.14	X		March 23, 2010
3.1	X		September 2, 2010
3.2	X		March 23, 2010
3.3	X		March 23, 2010
3.4	X		March 23, 2010
3.5	X		March 23, 2010
3.6	X		March 23, 2010

ENVIRONMENTAL IMPACT: This activity is not a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), the activity is not subject to CEQA.


CONCLUSION: That the Committee receive a report by the Corporation on the status of the Performance Audit. To date, 18 of the 24 recommendations have been reported to the City as implemented.

Respectfully submitted,



Andrew T. Phillips
Assistant Vice President/Controller

Concurred by:



Frank J. Alessi
Executive Vice President & Chief Financial Officer